

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

| | New Construction Basis | 4% Acquisition Basis | Rehabilitation Basis |
|---|---------------------------|-------------------------|-------------------------|
| Subtractions From Eligible Basis | | | |
| Amount of federal grant(s) used to finance qualifying development costs | | | |
| Amount of federal below market rate loan | | | |
| Amount of nonqualified nonrecourse financing | | | |
| Costs of Nonqualifying units of higher quality | | | |
| Nonqualifying excess portion of higher quality units | | | |
| Historic Tax Credit (Residential Portion Only) | | | |
| Other | | | |
| Total Subtractions From Basis: | 0 | | 0 |
| Eligible Basis Calculation | | | |
| Total Basis | 0 | 620,753 | 963,715 |
| Less Total Subtractions From Basis (see above) | 0 | | 0 |
| Total Eligible Basis | 0 | 620,753 | 963,715 |
| Eligible Basis Adjustment for DDA/QCT Location | | | 100.00% |
| Adjusted Eligible Basis | 0 | 620,753 | 963,715 |
| Multiply Adjusted Eligible Basis by Applicable Fraction | 100.00% | 100.00% | 100.00% |
| Qualified Basis | 0 | 620,753 | 963,715 |
| Multiply Qualified Basis by Applicable Credit Percentage | | 3.22% | 3.22% |
| Maximum Tax Credit Amount | 0 | 19,988 | 31,032 |
| Total Basis Method Tax Credit Calculation | | 51,020 | |

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

| | | | |
|--|---------------|---|-----------------|
| Total Development Cost | 1,925,804 | | |
| Subtract Non-LIHTC (excluding deferred fee) Source of Funds | 1,300,252 | | |
| Equity Gap | 625,552 | | |
| Divide Equity Gap by 10 | / 10 | | |
| Annual Equity Required | 62,555 | | |
| Enter Final Federal and State Equity Factors (not including GP contribution) | 1.1434 | = | Federal |
| Total Gap Method Tax Credit Calculation | 54,710 | | State |
| | | | 0.7787 + 0.3647 |

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

51,020

I certify that all information provided above is true, correct, complete and reflects the full extent of all project costs and eligible basis which apply (or are expected to apply) to the above-mentioned development.

Owner Signature _____

Name - Please Type _____

Date _____

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

| | TOTAL COST | New Construction Basis | Acquisition Basis | Rehabilitation Basis | Amortizable or Non-Depreciable Basis |
|---|---------------------------|-------------------------------|--------------------------|-----------------------------|---|
| PRE-DEVELOPMENT COSTS | | | | | |
| Property Appraisal | 4,557 | | | 4,557 | |
| Market Study | 4,500 | | | 4,500 | |
| Environmental Report(s) | 6,500 | | | 6,500 | |
| Soil Borings | | | | | |
| Boundary and Topographical Survey | 11,526 | | | 11,526 | |
| Zoning/Site Plan Fees | | | | - | |
| Other: Accessibility Inspection | 5,187 | | | 5,187 | |
| Subtotal | 32,270 | - | - | 32,270 | - |
| ACQUISITION | | | | | |
| Land | 23,489 | | | | 23,489 |
| Demolition | | | | | |
| Acquisition Legal Fees (if existing structures) | | | | | |
| Existing Structures | 539,786 | | 539,786 | | |
| Subtotal | 563,275 | - | 539,786 | - | 23,489 |
| SITE IMPROVEMENTS | | | | | |
| Site Preparation (On-site) | 116,916 | | | 116,916 | |
| Site Preparation (Off-site) | | | | | |
| Subtotal | 116,916 | - | - | 116,916 | - |
| UNIT/BUILDING CONSTRUCTION | | | | | |
| Unit/Building Construction/New Construction | | | | | |
| Unit/Building Construction/Rehab | 560,542 | | | 560,542 | |
| Project Amenities / Accessory Buildings | | | | | |
| Other: | | | | | |
| Subtotal | 560,542 | - | - | 560,542 | - |
| CONTRACTOR SERVICES | | | | | |
| Builder's Overhead: 2.00% | 13,549 | | | 13,096 | |
| Builder Profit: 6.00% | 40,647 | | | 37,802 | |
| General Requirements 6.00% | 40,647 | | | 18,120 | |
| Payment/performance bond or letter-of-credit fee or premium | 6,195 | | | 6,195 | |
| Subtotal | 75,213 | - | - | 75,213 | - |
| Total Construction Costs | 28,948.88 per unit | | | | |
| | 752,671 | | | | |
| | 45.89 per sq ft | | | | |

ROYSTON CRESTVIEW MANOR, LP

**INDEPENDENT AUDITORS' REPORT
CERTIFICATION OF ACTUAL COST AND OPINION AS
TO ELIGIBLE BASIS, OWNER'S CERTIFICATION OF FUNDING
SOURCES AND PROJECT SUBSIDY
AND
BUILDING ALLOCATION OF QUALIFIED BASIS
AND
50% CALCULATION**

DECEMBER 1, 2015



Certified Public Accountants and Business Advisors

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Royston Crestview Manor, LP
Project Name: Crestview Manor Apartments
Project Number: TCAA # 2014-509

To the Partners
Royston Crestview Manor, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Royston Crestview Manor, LP (the "Owner") for Crestview Manor Apartments ("the Project") as of December 1, 2015.

Owner and Owner Management's Responsibility for the Schedule

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Final Cost Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost Certification, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Final Cost Certification in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Owner and Owner's management, as well as evaluating the overall presentation of the Final Cost Certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$1,925,804 and eligible basis of \$1,584,468, and that fifty-eight and one-tenths percent 58.1% of the aggregate basis of the building and the land of \$1,607,957 were financed with tax-exempt bond proceeds of \$934,707 by the Owner for the Project as of December 1, 2015, on the basis of accounting described below.

Basis of Accounting

The Final Cost Certification is prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with TCAA and should not be used for any other purpose.

We have no financial interest in the Project other than in the practice of our profession.

A handwritten signature in black ink, reading "Halij, Aragata & Wynn, LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

| | TOTAL COST | New Construction Basis | Acquisition Basis | Rehabilitation Basis | Amortizable or Non-Depreciable Basis |
|---|---------------------------|------------------------|-------------------|----------------------|--------------------------------------|
| PRE-DEVELOPMENT COSTS | | | | | |
| Property Appraisal | 4,557 | | | 4,557 | |
| Market Study | 4,500 | | | 4,500 | |
| Environmental Report(s) | 6,500 | | | 6,500 | |
| Soil Borings | | | | | |
| Boundary and Topographical Survey | 11,526 | | | 11,526 | |
| Zoning/Site Plan Fees | | | | - | |
| Other: Accessibility Inspection | 5,187 | | | 5,187 | |
| Subtotal | 32,270 | - | - | 32,270 | - |
| ACQUISITION | | | | | |
| Land | 23,489 | | | | 23,489 |
| Demolition | | | | | |
| Acquisition Legal Fees (if existing structures) | | | | | |
| Existing Structures | 539,786 | | 539,786 | | |
| Subtotal | 563,275 | - | 539,786 | - | 23,489 |
| SITE IMPROVEMENTS | | | | | |
| Site Preparation (On-site) | 116,916 | | | 116,916 | |
| Site Preparation (Off-site) | | | | | |
| Subtotal | 116,916 | - | - | 116,916 | - |
| UNIT/BUILDING CONSTRUCTION | | | | | |
| Unit/Building Construction/New Construction | | | | | |
| Unit/Building Construction/Rehab | 560,542 | | | 560,542 | |
| Project Amenities / Accessory Buildings | | | | | |
| Other: | | | | | |
| Subtotal | 560,542 | - | - | 560,542 | - |
| CONTRACTOR SERVICES | | | | | |
| Builder's Overhead: 2.00% | 13,549 | | | 18,120 | |
| Builder Profit: 6.00% | 40,647 | | | 37,802 | |
| General Requirements 6.00% | 40,647 | | | 13,096 | |
| Payment/performance bond or letter-of-credit fee or premium | 6,195 | | | 6,195 | |
| Subtotal | 75,213 | - | - | 75,213 | - |
| <i>Total Construction Costs</i> | <i>28,948.88 per unit</i> | | | | |
| | <i>752,671</i> | | | | |
| | <i>45.89 per sq ft</i> | | | | |

OH and GR amounts are flipped- see revised pages

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

| | TOTAL COST | New Construction Basis | Acquisition Basis | Rehabilitation Basis | Amortizable or Non-Depreciable Basis |
|---|---------------|------------------------|-------------------|----------------------|--------------------------------------|
| CONSTRUCTION PERIOD FINANCING | | | | | |
| Construction Loan Fee | | | | | |
| Construction Loan Interest | | | | | |
| Construction Legal Fees | | | | | |
| Construction Period Real Estate Tax | | | | | |
| Construction Insurance | | | | | |
| Bridge Loan Fee and Bridge Loan Interest | 1,000 | | | 1,000 | |
| Other: Rehab Inspections / Green Rebate Costs | 10,809 | | | 10,809 | |
| Subtotal | 11,809 | - | - | 11,809 | - |
| PROFESSIONAL SERVICES | | | | | |
| Architectural Fee - Design | 20,000 | | | 20,000 | |
| Architectural Fee - Supervision | | | | | |
| Engineering | | | | | |
| Real Estate Attorney | 18,500 | | | 18,500 | |
| Accounting | 15,000 | | | 15,000 | |
| Other: | | | | | |
| Subtotal | 53,500 | - | - | 53,500 | - |
| LOCAL GOVERNMENT FEES | | | | | |
| Building Permits | | | | | |
| Impact Fees | | | | | |
| Water Tap Fees <i>waived?</i> | | | | | |
| Sewer Tap Fees <i>waived?</i> | | | | | |
| Real Estate Taxes | | | | | |
| Subtotal | - | - | - | - | - |
| PERMANENT FINANCING FEES | | | | | |
| Permanent Loan Fees | 31,093 | | | | 31,093 |
| Permanent Loan Legal Fees | 14,833 | | | | 14,833 |
| Title and Recording Fees | 6,081 | | | 6,081 | |
| As-Built Survey | | | | | |
| Bond Issuance Premium | | | | | |
| Cost of Issuance / Underwriter's Discount | 33,131 | | | | 33,131 |
| Other: | | | | | |
| Subtotal | 85,138 | - | - | 6,081 | 79,057 |

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

| | TOTAL COST | New Construction Basis | Acquisition Basis | Rehabilitation Basis | Amortizable or Non-Depreciable Basis |
|--|------------------|------------------------------|-------------------|----------------------|--------------------------------------|
| DCA-RELATED COSTS | | DCA-RELATED COSTS | | | |
| DCA Loan Application Fee | | | | | |
| Tax Credit Application Fee | 5,000 | | | | 5,000 |
| DCA Waiver Fees | 3,000 | | | | 3,000 |
| LIHTC Allocation Processing Fee | 3,571 4,350 | | | | 4,350 |
| LIHTC Compliance Monitoring Fee | 18,200 10,000 | | | | 10,000 |
| DCA Front End Analysis Fee (when ID of Interest) | | | | | - |
| DCA Final Inspection Fee | | | | | |
| Other: | | | | | |
| Subtotal | 22,350 | | | | 22,350 |
| EQUITY COSTS | | EQUITY COSTS | | | |
| Partnership Organization Fees | | | | | |
| Tax Credit Legal Opinion | | | | | |
| Other: Due diligence fee | 15,000 | | | | 15,000 |
| Subtotal | 15,000 | - | - | - | 15,000 |
| DEVELOPER'S FEE | | DEVELOPER'S FEE | | | |
| Developer's Overhead | | | | | |
| Consultant's Fee | 23,000 | | | 23,000 | |
| Developer's Fee | 155,842 | | 80,967 | 74,875 | |
| Subtotal | 178,842 | - | 80,967 | 97,875 | - |
| START-UP AND RESERVES | | START-UP AND RESERVES | | | |
| Marketing | | | | | |
| Rent -Up Reserves | | | | | |
| Operating Deficit Reserve: | 75,183 | | | | 75,183 |
| Replacement Reserve | 63,164 | | | | 63,164 |
| Furniture, Fixtures and Equipment | 5,000 | | | 5,000 | - |
| Other: Rental Assistance | 63,093 | | | | 63,093 |
| Subtotal | 206,440 | - | - | 5,000 | 201,440 |
| OTHER COSTS | | OTHER COSTS | | | |
| Relocation | 4,509 | | | 4,509 | |
| Other: | | | | | |
| Other: | | | | | |
| Subtotal | 4,509 | - | - | 4,509 | - |
| TOTAL DEVELOPMENT COST | 1,925,804 | - | 620,753 | 963,715 | 341,336 |
| Per Unit | 74,069.38 | | | | |
| Per Square Foot | 117.43 | | | | |

PART FOUR - USES OF FUNDS - Crestview Manor Apartments - 2014-509

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

| | New Construction Basis | 4% Acquisition Basis | Rehabilitation Basis |
|---|---------------------------|-------------------------|-------------------------|
| Subtractions From Eligible Basis | | | |
| Amount of federal grant(s) used to finance qualifying development costs | | | |
| Amount of federal below market rate loan | | | |
| Amount of nonqualified nonrecourse financing | | | |
| Costs of Nonqualifying units of higher quality | | | |
| Nonqualifying excess portion of higher quality units | | | |
| Historic Tax Credit (Residential Portion Only) | | | |
| Other | | | |
| Total Subtractions From Basis: | 0 | | 0 |
| Eligible Basis Calculation | | | |
| Total Basis | 0 | 620,753 | 963,715 |
| Less Total Subtractions From Basis (see above) | 0 | | 0 |
| Total Eligible Basis | 0 | 620,753 | 963,715 |
| Eligible Basis Adjustment for DDA/QCT Location | | | 100.00% |
| Adjusted Eligible Basis | 0 | 620,753 | 963,715 |
| Multiply Adjusted Eligible Basis by Applicable Fraction | 100.00% | 100.00% | 100.00% |
| Qualified Basis | 0 | 620,753 | 963,715 |
| Multiply Qualified Basis by Applicable Credit Percentage | | 3.22% | 3.22% |
| Maximum Tax Credit Amount | 0 | 19,988 | 31,032 |
| Total Basis Method Tax Credit Calculation | | 51,020 | |

III. TAX CREDIT CALCULATION - GAP METHOD

| | | | |
|--|--|---------------|-----------------|
| Equity Gap Calculation | | | |
| Total Development Cost | | | |
| Subtract Non-LIHTC (excluding deferred fee) Source of Funds | | 1,300,252 | |
| Equity Gap | | 625,552 | |
| Divide Equity Gap by 10 | | / 10 | |
| Annual Equity Required | | 62,555 | |
| Enter Final Federal and State Equity Factors (not including GP contribution) | | 1.1470 | = |
| Total Gap Method Tax Credit Calculation | | 54,538 | Federal |
| | | | + State |
| | | | 0.7820 + 0.3650 |

See modified version

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

51,020

I certify that all information provided above is true, correct, complete and reflects the full extent of all project costs and eligible basis which apply (or are expected to apply) to the above-mentioned development.

Owner Signature

Name - Please Type

Date

PART THREE - SOURCES OF FUNDS - Crestview Manor Apartments - 2014-509

I. PERMANENT FINANCING

| Financing Type | Name of Financing Entity | Principal Amount | Interest Rate | Term (Years) | Amort. (Years) | Annual Debt Svc Per Terms Given | Loan Type | Balloon? |
|---|--------------------------|------------------|---------------|--------------|----------------|---------------------------------|-----------|----------|
| First Mortgage | 538 Loan | 593,700 | 4.800% | 40 | 40 | 33,415 | | |
| Second Mortgage | 515 USDA Loan | 687,252 | 3.375% | 30 | 50 | 28,474 | | |
| Third Mortgage | | | | | | | | |
| Other Source (specify) | | | | | | | | |
| Other Source (specify) | | | | | | | | |
| Deferred Developer Fees | Rea Ventures Group, LLC | 42,194 | | | | | | |
| Federal Grant | | | | | | | | |
| State, Local, or Private Grant | | | | | | | | |
| Federal Housing Credit Equity | CSG MT I, LLC | 397,268 | | | | | | |
| State Housing Credit Equity | CSG SLP, LLC | 186,090 | | | | | | |
| Historic Credit Equity | | | | | | | | |
| Investment Earnings from Tax-Exempt Bonds | | | | | | | | |
| Investment Earnings from Taxable Bonds | | | | | | | | |
| Income from Operations | | | | | | | | |
| Other Source (specify) | Georgia Power rebate | 19,300 | | | | | | |
| Other Source (specify) | | | | | | | | |
| Other Source (specify) | | | | | | | | |
| Total Permanent Financing: | | 1,925,804 | | | | | | |
| Total Development Costs from Development Cost Schedule: | | 1,925,804 | | | | | | |
| Surplus/(Shortage) of Permanent Funds to Development Costs: | | 0 | | | | | | |

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:

| | | | | | | | | | |
|-------|-----|---|---|----|----|----|----|----|----|
| Year: | 1-7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| Rate: | | | | | | | | | |

VII. OWNER COMMENTS AND CLARIFICATIONS

The equity calculation reported in the sources of funds above is based on the blended rate in article v of the partnership agreement.

PART ELEVEN - 50% TEST - Crestview Manor Apartments - 2014-509

Project Name: Crestview Manor Apartments DCA Project Nbr: 2014-509

- 1.) Tax-exempt bond proceeds: 934707

- 2.) Aggregate basis of building and land: 1607957

- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 58.1%